

## Franchise Tax Due June 1; New Rates for 2005

As part of its funding plan for improvements in the state's education system, the Arkansas Legislature passed Act 94 of the Second Extraordinary Session of 2003, which increases the state's franchise tax. The new rates will apply to the 2004 tax year, due on May 1, 2005.

The following chart compares the current Franchise Taxes due on or before June 1, 2004, with the new rates payable in 2005.

Franchise Tax Type	Tax due through the 2004 Reporting Year	Effective 2005 Reporting Year
Bank/Corporation with Stock	.27% of the total assets \$50 minimum	.3% of the total assets \$150 minimum
Bank/Corporation without Stock	\$100	\$300
Limited Liability Company	\$50	\$150
Insurance Company Legal Reserve Mutual with stock greater than \$100 million	\$200	\$400
Insurance Company Legal Reserve Mutual, stock less than \$100 million	\$100	\$300
Insurance Company Outstanding Capitol Stock Greater than \$500,000	\$200	\$400
Insurance Company Outstanding Capitol Stock Less than \$500,000	\$100	\$300
Mortgage Loan Company	.27% of the total assets \$100 minimum	.3% of the total assets \$300 minimum
Mutual Assessment Company	\$100	\$300

*Note: 26-54-105. Franchise tax reports.*

*d) (1) Every corporation that dissolves shall be required to pay at the time of dissolution the franchise tax for the prior calendar year and pay at the time of dissolution the minimum franchise tax for the year in which dissolved or withdrawn.*